



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting & Special Hearing
September 8, 2020 Potlatch, Washington

Present:

Ron Gold, President (Online)
Mike Sheetz, Vice President (Online)
Jack Janda, Board Secretary (Online)
Darin Hall, Director of Operations (Online)
Katie Arnold, District Treasurer (Online)
Julie Gray, Executive Assistant (Online)
Rob Johnson, Legal Counsel (Online)

Visitors:

No visitors on phone.

Excused:

Kristin Masteller, General Manager

Public Hearing – Energy Resource Plan

Staff re-presented the District’s Energy Resource Plan, which was also posted on the PUD website as part of the advertising for the public hearing, for public input. There was no public in attendance.

Ron closed the public hearing at 1:12 p.m. and convened the regular business meeting.

APPROVAL OF CONSENT AGENDA:

Minutes:

August 25, 2020 Regular Board Meeting

Disbursements:

Accounts Payable Check Register

Accounts Payable Wire	\$ 53,500.83
Check Nos. 119091-119095	\$ 2,870.41
Check Nos. 119098 – 119106	\$ 19,722.85

A/P Total \$ 76,094.09

Payroll Expense

Payroll Wire	\$ 59,214.03
Check Nos. 119096 – 119097	\$ 2,259.21

Grand Total \$ 137,567.33

Mike made a motion to approve the consent agenda as presented, Jack seconded the motion, It passed unanimously.

PUBLIC COMMENT: No public on phone.

BUSINESS AGENDA:

Approval of Energy Resource Plan – Mike made a motion to approve the Energy Resource Plan as presented, Jack seconded the motion. Motion carried.

Discussion on BPA’s proposed new treatment of secondary revenue in setting rates for WPAG Letter – The Commissioners discussed the email from WPAG and decided that it would be best if Darin followed up with Ryan Neale with some questions that they had. All three of them would be in favor of sending a letter if they can get the answers needed.



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Northwest River Partners Dues Discussion – NWRP drafted a 5-year plan to increase the awareness and support of hydropower. They are requesting a 25% increase in annual dues in order to accomplish their goals. For Mason 1, it would increase from \$1,500 to \$1,875. The recent conclusion of the Columbia River System Operations Final Environmental Impact Statement illustrated that breaching just the four lower Snake River dams would have led to very bad socioeconomic outcomes for Northwest communities and a much greater risk of blackouts. The study also showed that dam breaching might or might not lead to a resurgence in salmon and steelhead populations on the lower Snake River, depending on the models used. As a PUD, we recognize the importance of not just the future of salmon, but also the future of hydro power in Washington State along with Oregon, Montana and Idaho, but the general population awareness has decreased over the years and that needs to change. With the increase in dues, NWRP will be able to expand its presence with the general public, as well as the policy advisors of all four states, to ensure that a solution is reached, with all stakeholder's voices heard. Hydro-power is the back bone of reliable electricity in Washington State. After some discussion and concerns, the commissioners agreed to support the Northwest River Partners Dues increase. No motion was necessary as it is within the Manager's spending limit.

Resolution 2038- Delaying Electric Rate Increase and

Resolution 2039- Delaying Water Rate Increase – Originally, the electric rate increase was delayed from April 2020 to July 1, 2020 and then again to October 1, 2020. The water rate increase for the second year of the COSA would have been effective January 1, 2021. Given the financial hardships that Mason 1's customers are still facing, staff recommended to delay both rate increases to April 1, 2021. This would allow for the development of the 2021 budget incorporating these rate delays for the revenue forecast and allow staff to determine what type of reduction in expenditures need to be made. All three commissioners agreed that this is not the time to raise rates on either electric or water. Mike made a motion to approve Resolution 2038 Delaying Electric Rate Increase and Resolution 2039 Delaying Water Rate Increase until April 1, 2021. Jack seconded the motion. Motion carried.

Staff Reports:

Director of Operations – Darin reported that the Union Regional approval email had been presented to the Department of Ecology. DOE had no comments so the Department of Health will draft a letter for approval. Darin also reported that the PUD had a lot of outages on Monday, September 7th, due to irregular and strong winds. Most outages occurred in Union and from Lilliwaup, north to Brinnon. The Manzanita/Dalby Rd water line and double circuit project is underway. The water crew is working on well house rehab and other strategic plan projects. There has not been a safety meeting since the last commissioner meeting and there have been no accidents or near misses.

Director of Business Services – Katie reported that the PUD had received an invitation from FEMA to formally apply for the hazard mitigation grant. This grant would allow the District to complete an overhead to underground conversion that is located in a problem area that crews have a hard time accessing for outages and repairs.



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District Attorney – Rob reported on the status of the MOU with the Squaxin Tribe. Several virtual meetings have been held with the District and the Tribe’s stakeholders to reach an agreement, but each time a new issue is brought up by the Tribe setting everything back to the beginning again. He and staff are making one last attempt to finalize the MOU. The commission thanked staff and Rob for all the work that has been done trying to get this taken care of.

Correspondence: None

Board Reports:

Ron Gold: Ron reported that he will call into the WPAG meeting on Thursday, August 27. He also attended the PPC last week.

Mike Sheetz: Mike reported that his 13th grandchild was born today. He was 8lbs 3 oz and his name is Jackson.

Jack Janda: Jack reported that he attended the NW Energy’s zoom meeting last week.

PUBLIC COMMENT – No public comment.

EXECUTIVE SESSION – No executive session.

Adjournment: 2:08 pm

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary